

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

GENERAL MARKETING ASSOCIATES,
INC., ALAN DAVIS, and STEVEN
CHAUSSE,

Respondents.

SDO - 044 - 01

SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINES
AND ORDER AFFIRMATIVE RELIEF

Case No. 01 - 04 - 137

THE STATE OF WASHINGTON TO:

General Marketing Associates, Inc.
Alan Davis, President
18350 NW 2nd Avenue, Suite 402
North Miami Beach, Florida 33169

Steven Chausse
19380 Collins Avenue
Miami, Florida 33160

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, General Marketing Associates, Inc., Alan Davis, and Steven Chausse, have each violated the Securities Act of Washington and that their violations justify the entry of an order against each by the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to investors and to the public, and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. General Marketing Associates, Inc. ("GMA") is a Florida for-profit corporation authorized to do business May 26, 1999 and administratively dissolved September 22, 2000. GMA is an independent sales office ("ISO") for issuers of securities engaged in the business of locating investors and offering and/or selling investors securities for consideration. GMA maintains its office in North Miami Beach, Florida.
2. Alan Davis ("Davis") is the President of GMA.
3. Steven Chausse ("Chausse") is a salesperson for GMA.

II. NATURE OF THE VIOLATIONS

4. Starting on or about March 1, 2001 and continuing until on or about May 10, 2001, Respondents sent or caused to be sent unsolicited e-mail messages to residents of Washington State on behalf of Cash Today USA, Inc. ("Cash") and Payday Today USA.com, Inc. ("Payday"). Cash and Payday are engaged in business making payday loans to their customers. The e-mail messages stated that, for a \$10,000 minimum investment, investors could make 42% annually or 3.5% monthly, by investing in "fully secured accounts receivable acquisitions."
5. On or about March 30, 2001, Respondent Chausse telephoned a Washington resident on behalf of Cash and Payday. Chausse asked if the resident had ever heard of factoring, and went on to describe an opportunity to invest in accounts receivable. Chausse told the resident that all investor funds would be placed in a secured and guaranteed account, and used only to make payday loans. Chausse then told the resident that during the time period Cash and Payday had the use of the investor's money, investors would receive a 3.5% monthly fee, for a 42% annual return. Chausse also stated that because a major check guarantee company had guaranteed the accounts receivable, Cash and Payday were guaranteeing the 42% annual returns, and that there was no risk attached to the investment. Chausse went on to state that investors could liquidate at any

1 time by giving 90 days written notice. The resident asked Chausse to send written information regarding the
2 investment.

3 6. On or about April 9, 2001, Chausse sent the resident an e-mail that included as attachments information
4 about the offering and a Payday "Accounts Receivable Purchase Agreement." On or about April 11, 2001,
5 Chausse telephoned the resident to ask if he would invest in the account receivable contracts. The resident
6 indicated that he had reviewed the material and was interested in investing, but wanted further information
7 about the investment and about GMA. Chausse stated he would forward such information to the resident.

8 On April 16, 2001, the resident received an Airborne Express package containing further information about
9 the Payday offering and a return Airborne Express air bill addressed and billable to Payday.

10 7. On April 19, 2001, Respondent Davis sent an e-mail to the resident that described the relationship
11 between GMA, Cash, and Payday. In the e-mail, Davis told the investor that GMA is an ISO authorized to
12 do business on behalf of Cash and Payday; that GMA's function is to find and convert investors into factors;
13 that GMA receives a brokerage fee for all investments in Cash or Payday arranged for by GMA; and that
14 GMA is authorized to solicit additional brokers and pay them a fee for "services rendered."

15 8. On April 24, 2001, the resident received a Federal Express package containing substantially the same
16 information sent earlier via Airborne Express, along with a return Federal Express air bill addressed and
17 billable to Payday. On April 25, 2001, GMA sent an e-mail to the resident providing a hyperlink to
18 information about the Cash offering. The information about the Cash offering was identical to the
19 information GMA provided about Payday; only the name of the firm issuing the accounts receivable contracts
20 had been changed. On the same date, Respondent Davis sent a facsimile to the resident that included another
21 copy of the April 19, 2001 letter.
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1 9. The Cash and Payday account receivable contracts are not currently registered in the State of
2 Washington, have not previously been so registered, and no claim of exemption for said securities is on file
3 with the Division.

4 10. Respondents GMA, Alan Davis, and Steven Chausse and their agents or employees are not currently
5 registered to offer or sell securities in the State of Washington, and have not previously been so registered.

6 11. The Securities Administrator finds that the continued offering of Cash and Payday account receivable
7 contracts in the manner described in Tentative Findings of Fact, Section II, paragraphs 4 through 10, and
8 Respondents continued operation as a unregistered broker/dealers and/or salespersons, presents a threat to the
9 investing public.

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11 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:
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13 **III. CONCLUSIONS OF LAW**

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15 1. The offer and/or sale of accounts receivable contracts by Respondents constitutes the offer and/or sale of a
16 security as defined in RCW 21.20.005(10) and (12).

17 2. Respondents have each violated RCW 21.20.040 by offering and/or selling said securities while not
18 registered as broker/dealers and/or salespersons in the State of Washington.

19 3. Respondents have each violated RCW 21.20.010 in connection with the offer and/or sale of said securities
20 because the representations made to potential investors regarding the guaranteed return, the absence of risk,
21 and the liquidity of the investment were made with no reasonable basis in fact. Additionally, the acts,
22 practices, and course of business conduct engaged in by Respondents served to operate as a fraud or deceit
23 upon investors.
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EMERGENCY

Based upon the foregoing, the Securities Administrator finds that an emergency exists and that Respondents' continued violations of RCW 21.20.040 and RCW 21.20.010 constitutes a threat to the investing public. The Securities Administrator finds that a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing public.

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SUMMARY ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents General Marketing Associates, Inc., Alan Davis, and Steve Chausse, their agents and employees, shall each cease and desist from offering and/or selling securities in violation of RCW 21.20.040, the broker/dealer and salesperson registration section of the Securities Act of Washington.

It is further SUMMARILY ORDERED that Respondents, their agents and employees, shall each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

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NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondents have committed ten or more knowing or reckless violations of the Securities Act such that the imposition of fines is required. Therefore, the Securities Administrator intends to order that Respondents shall be jointly and severally liable for and pay a fine in the amount of \$5,000 per violation, for a total of \$50,000.

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NOTICE OF INTENT TO ORDER AFFIRMATIVE RELIEF

Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents shall be jointly and severally liable for and shall provide appropriate affirmative relief, including, without limitation, a requirement to provide notice of any final order entered in this case to all Washington customers contacted by Respondents.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of Chapter 34.05 RCW. Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If any Respondent does not request a hearing, as to that Respondent, the Securities Administrator intends to adopt the above Tentative Findings of Fact, Conclusions of Law, and Summary Order as final, and impose the fines and affirmative relief sought.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

ENTERED this 20th day of June, 2001.



Deborah R. Bortner
Securities Administrator

Approved by:

Presented by:

Michael E. Stevenson

Anthony W. Carter

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Chief of Enforcement

Securities Examiner

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